



Tax Relief for Pollution Control Property

Application Form – Effective January 2008

DISCLAIMER

This document is intended to assist persons in applying for a use determination, pursuant to Title 30 Texas Administrative Code Chapter 17 (30 TAC 17). Conformance with these guidelines is expected to result in applications that meet the regulatory standards required by the Texas Commission on Environmental Quality (TCEQ). However, the TCEQ will not in all cases limit its approval of applications to those that correspond with the guidelines in this document. These guidelines are not regulation and should not be used as such. Personnel should exercise discretion in using this guidelines document. It should be used along with other relevant information when developing an application.

The TCEQ has the responsibility to determine whether a property is a pollution control property. A person seeking a use determination must complete the attached application or a copy or similar reproduction. For assistance in completing this form refer to the TCEQ guidelines document, *Property Tax Exemptions for Pollution Control Property*, as well as 30 TAC §17, rules governing this program. For additional assistance please contact the Tax Relief for Pollution Control Property Program at (512) 239-3100. The application should be completed and mailed, along with a complete copy and the appropriate fee, to: TCEQ MC-214, Cashiers Office, PO Box 13088, Austin, Texas 78711-3088.

1. GENERAL INFORMATION

Natural Gas Liquids Transportation and Storage

Page 3 of 6

A. Company/Organization Name	Mont Belvieu Caverns, LLC
B. Name of Individual to Contact:	Al Noor
C. Mailing Address (Street or P.O. Box):	PO Box 4018
D. City, State, and Zip:	Houston, Texas 77210-4018
E. Telephone number and fax number:	(713)803-88253
F. E-Mail address (if available):	anoor@eprod.com

7. **RELEVANT RULE, REGULATION, OR STATUTORY PROVISION**

For each media, please list the specific environmental rule or regulation that is met or exceeded by the installation of this property.

MEDIUM	Rule/Regulation/Law
Air	
Water	30 TAC 305
Waste	

8. **DESCRIPTION OF PROPERTY (Complete for all applications)**

Describe the property and how it will be used at your facility. **Do not simply repeat the description from the Equipment & Categories List.** Include sketches of the equipment and flow diagrams of the processes where appropriate. Use additional sheets, if necessary.

Project Description : This Project consist of one 4.0 million barrel HDPE double lined brine pond, instrumentation, pond piping, electrical substation and associated equipment. The brine pond will accomplish two significant purposes, waste minimization and prevention of salt water intrusion into inland waters. Also by recycling brine, rather than using fresh water which would become brine through salt dissolution in daily operation of the cavern system, the total quantity of waste generated will be significantly reduced by constructing this brine pond. The current scope of this project includes the construction of one 35ft X 70ft concrete pump pit, and the installation of one 600 HP transfer pump. Also included is 3,500 of 30" HDPE piping from the new pond to North Stroe.

Land: If a use determination is being requested for land, provide a legal description and an accurate drawing of the property in question.

9. **PARTIAL PERCENTAGE CALCULATION**

This section is to be completed for Tier III and IV applications. For information on how to conduct the partial percentage calculation, see the application instructions document. Attach calculation documents to completed application.

10. PROPERTY CATEGORIES AND COSTS

List each control device or system for which a use determination is being sought. Provide additional attachments for more than 3 properties.

Property	Taxable on 1/01/94?	DFC Box	ECL #	Estimated Cost	Use %
Land					
<u>Property</u> Construction of brine pond with total capacity of 4 million barrels	NO _____ _____	12 _____ _____	S-20 _____ _____	23,000,000 _____ _____	100% _____ _____
Totals					

11. EMISSION REDUCTION INCENTIVE GRANT

(For more information about these grants, see the Application Instruction document).

Will an application for an Emission Reduction Incentive Grant be filed for this property/project?


☐ Yes ☒ No

12. APPLICATION DEFICIENCIES

After an initial review of the application, the TCEQ may determine that the information provided with the application is not sufficient to make a use determination. The TCEQ may send a notice of deficiency, requesting additional information that must be provided within 30 days of the written notice.

13. FORMAL REQUEST FOR SIGNATURE

By signing this application, you certify that this information is true to the best of your knowledge and belief.

Name: Al Noor  Date: 02/12/2008
Title: Tax Manager
Company: Mont Belvieu Carverns LLC

Under Texas Penal Code, Section 37.10, if you make a false statement on this application, you could receive a jail term of up to one year and a fine up to \$2,000, or a prison term of two to 10 years and a fine of up to \$5,000.

14. DELINQUENT FEE/PENALTY PROTOCOL

This form will not be processed until all delinquent fees and/or penalties owed to the TCEQ or the Office of the Attorney General on behalf of the TCEQ are paid in accordance with the Delinquent Fee and Penalty Protocol. (Effective September 1, 2006)

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 20, 2008

MONT BELVIEU CAVERNS LLC
AL NOOR
PO BOX 4018
HOUSTON TX 77210 4018

This letter is to inform you that the technical review of Use Determination Application 07-11881 has been completed. This application is for:

MONT BELVIEU NORTH STORAGE
1027 FM 1942
MONT BELVIEU TX 77580

The outcome of this review is as follows:

A negative determination for the equipment and installation costs of the Brine Storage Pond Project. This equipment is considered to be production equipment and not pollution control property.

House Bill 3121, enacted during the 77th Legislature Session, established a process for appealing a use determination. The Texas Commission on Environmental Quality (TCEQ) rules that implement the appeals process are at 30 TAC 17.25. Pursuant to 17.25(a)(1), an appeal must be filed within 20 days of receipt of the use determination. Should you choose to appeal the use determination, please submit a copy of your appeal to the TCEQ Tax Relief for Pollution Control Property program at the time of filing the appeal with the Chief Clerk of the commission.

If you have any questions or require any additional information please contact the TCEQ Tax Relief for Pollution Control Property program at (512) 239-3100.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Greer".

David Greer
Team Leader, Pollution Prevention

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 20, 2008

CHIEF APPRAISER
CHAMBERS COUNTY APPRAISAL DISTRICT
PO BOX 1520
ANAHUAC TX 77514

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Sincerely,

A handwritten signature in dark ink, appearing to read "David Greer".

David Greer
Team Leader, Pollution Prevention

TAX RELIEF FOR POLLUTION CONTROL PROPERTY: TECHNICAL REVIEW DOCUMENT

Reviewed By: RLH App. No.: 07 - 11881 Review Start Date: 3/4/2008
Company Name: MONT BELVLEU CAVERNS LLC
Facility Name: MONT BELVIEU NORTH STORAGE
County: CHAMBERS Outstanding Fees: N

ADMINISTRATIVE REVIEW

Administrative Complete Date: 2/26/2008

TIER LEVEL

What Tier is this application? The application was filed as a Tier I application. Is this the appropriate level?

This application is for a Brine Storage Pond which is item S-20 on the Equipment and Categories List. This is a Tier I application.

RELEVANT RULE, REGULATION, OR STATUTORY PROVISION

The rule listed in the application is: 30 TAC 305

The appropriate rule is: 16 TAC 3.8

Explain why this is the appropriate rule?

16 TAC 3.8 is the correct rule for this application. This change was approved by the applicant.

BRIEF DESCRIPTION OF PROPERTY

The property is described as:

This project consists of one 4.0 million barrel HDPE double lined brine pond, instrumentation, pond piping, electrical substation and associated equipment. The current scope of the project includes the construction of one 35ft x 70ft concrete pump pit, and installation of one 600 hp transfer pump. Also included is 3,500' of 30" HDPE piping from the new pond to North Storage.

Is an adequate description and purpose of the property provided? Does it list the anticipated environmental benefits? Are sketches and flow diagrams provided if needed?

The description is adequate. The environmental benefits of this project are listed.

DECISION FLOWCHART

Mark the appropriate boxes: Box 3 ☒ Box 5 ☒ Box 6(IV) ☐ Box 10(III) ☐ Box 12(I) ☐ Box 13(II)

Describe how the property flowed through the Decision Flowchart:

The installation of the property listed on this application does not meet the requirements of an environmental regulation. The installation of this property does not provide an environmental benefit at the site. The property does not meet the description of the item listed on the ECL. This is not a brine disposal pond. The brine in this pond is used to move hydro carbons into and out of the salt cavern.

TIER III or IV APPLICATIONS

Does your calculation agree with the applicants?

This is a Tier I application.

PROPERTY CATEGORIES AND COSTS

Is the table completed correctly? Has the applicant certified that all listed property became taxable for the first time after January 1, 1994? Is all information necessary for conducting the technical review included.

The table is completed correctly.

TECHNICAL DEFICIENCIES

Is the application complete as received: N If the application was not administratively complete explain below when justifying the final decision in the final determination section. If the application was not technically complete then:

Provide the language to be used in the Notice of Deficiency (NOD) letter:

Section 7 lists the rule as 30 TAC 305 which is titled Consolidated Permits. What specific subsection of 305 is being met by the installation/construction of this brine storage pond.

Summarize the NOD response:

Correct rule is 16 TAC 3.8. Application is now technically complete.

Provide the language used in the second NOD letter:

Summarize the second NOD response:

Summarize the third NOD response:

FINAL DETERMINATION

If the property description has been summarized enter the detailed property description:

This project consists of one 4.0 million barrel HDPE double lined brine pond, instrumentation, pond piping, electrical substation and associated equipment. The current scope of the project includes the construction of one 35ft x 70ft concrete pump pit, and installation of one 600 hp transfer pump. Also included is 3,500' of 30" HDPE piping from the new pond to North Storage.

Provide the reason for your final determination:

This application is for equipment that has been installed as part of a project to construct a 4.0 million barrel brine storage pond. Item S-20 on the ECL is Surface Impoundments and Ancillary Equipment (including Brine Disposal Ponds). Since this is not a disposal pond this ECL number does not apply. The part of the project being requested is: the construction of one 35ft x 70ft concrete pump pit, and installation of one 600 hp transfer pump, and the installation of 3,500' of 30" HDPE piping from the new pond to North Storage. All of this equipment is in place in order to move the brine and is not considered to be pollution control property. A negative determination should be issued.

Provide the language for the final determination.

A negative determination for the equipment and installation costs of the Brine Storage Pond Project. This equipment is considered to be production equipment and not pollution control property.

Highlight the required signatures and establish the appropriate due dates.

Reviewed: *Ronald Hatfield*

Date Signed: *4/1/08*

Peer Reviewed: *G. M. Borthen*

Date Signed: *4-1-08*

Team Leader: *Daniel H*

Date Signed: *5/16/08*

Section Manager:

Date Signed:

Division Director:

Date Signed: